2021

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) INVESTOR PACK

ROUNDTABLE

26 NOVEMBER 2021

Approved for distribution by ANZ's Continuous Disclosure Committee

Australia and New Zealand Banking Group Limited 9/833 Collins Street Docklands Victoria 3008 Australia
ABN 11 005 357 522

DISCLAIMER & IMPORTANT NOTICE

The material in this presentation is general background information about ANZ's activities current as at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be and should not be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

This presentation may contain forward-looking statements or opinions including statements regarding our intent, belief or current expectations with respect to ANZ's business operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices. When used in this presentation, the words 'forecast', 'estimate', 'project', 'intend', 'anticipate', 'believe', 'expect', 'may', 'probability', 'risk', 'will', 'seek', 'would', 'could', 'should' and similar expressions, as they relate to ANZ and its management, are intended to identify forward-looking statements or opinions. Those statements: are usually predictive in character; or may be affected by inaccurate assumptions or unknown risks and uncertainties; or may differ materially from results ultimately achieved. As such, these statements should not be relied upon when making investment decisions. These statements only speak as at the date of publication and no representation is made as to their correctness on or after this date. Forward-looking statements constitute "forward-looking statements" for the purposes of the United States Private Securities Litigation Reform Act of 1995. ANZ does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

CONTENTS

2021
ESG INVESTOR PACK

OVERVIEW

OVERVIEW

1	Significant opportunities arising from a decarbonising economy
2	ANZ well positioned to facilitate the transition to net zero emissions
3	Responding through a new Environmental Sustainability Strategy and priority areas of focus
4	Our updated Climate Change Commitment sets out our “more finance for lower emissions” targets
5	Update on our engagement with 100 of our largest emitting business customers

KEY MESSAGES

RESPONDING TO CLIMATE RISKS AND EMBRACING THE OPPORTUNITIES

- Climate change is a financial risk, and a shared challenge for our customers, governments and the financial sector
- The transition to a low carbon economy also presents new and significant opportunities. Trillions in investment will be required for the world to transition to net zero emissions by 2050
- We are embracing these opportunities as we move to: *protect* the bank by enhancing our climate risk management, *adapt* to the change, *engage* with our stakeholders; and *prepare* the bank for the future
- The biggest role we can play is through our financing, services and advice – backing customers that have the right plans and commitments in place
- We commit to providing more finance to support customers, the community and the economy to achieve lower emissions
- We are in a strong position to support the transition to a net zero emissions economy – through our people, experience, capabilities and global footprint

OUR APPROACH

ANZ's CLIMATE AMBITION

To be the leading Australia- and New Zealand-based bank in supporting customers to transition to net zero emissions by 2050

The opportunity

The pathway to net zero emissions presents significant financing opportunities, which we'll realise together with our customers

Our environmental sustainability strategy

Support our customers in shifting to low carbon business models and operations through directing our finance, services and advice into key priority areas and sectors

Our key focus areas to achieve our net zero ambition

- Help our customers and industries to transition
- Align lending decisions to the Paris goals
- Engage constructively and transparently with stakeholders
- Reduce our own impact and emissions

Facilitated by…

- Our Climate Change Commitment
- Our sensitive sector policies and screening tools
- An integrated risk management approach
- Industry and product expertise
- Staff with deep understanding of climate risks and opportunities

A GLOBAL TRANSFORMATION IS REQUIRED

TRANSITION TO NET ZERO REQUIRES ~$125 TRILLION[1] IN INVESTMENT, WITH >50% REQUIRED ACROSS ASIA–PACIFIC REGION

Critical minerals sector[2]

Globally expected to double to **US$100b** by 2030[3]

Transitioning energy from high to low carbon

E.g. renewable energy projects pipeline carries global investment value of **~AU$270b**[4]

Electrification of transport

Sector likely to need total transition spend of **US$10 trillion**[5], as the world converts to electric vehicles

Food, beverage and commodities

Sector likely to need **AU$5.7b**[6] in investment each year to meet net zero by 2050

Hydrogen

Global demand is projected to reach:
~200Mt by 2040
~400Mt by 2050[7]

Carbon capture use and storage

>60 projects in operation / under development globally[8]

Environmental markets[9]

Expected to increase **15x** by 2030[10] driven by net zero commitments

ESG advisory

Increasing requirements for corporates and funds to develop / deliver environmental sustainability strategies

1. Source: Vivid Economics, McKinsey
2. Includes: Lithium, Copper, Nickel, Cobalt and rare earths
3. Source: Department of Industry, Science, Energy and Resources and Australian Trade and Investment Commission Australia's Critical Minerals Strategy (2019)
4. Source: BloombergNEF, ANZ Research
5. Source: ANZ and McKinsey

6 & 10. Source: McKinsey

7. Source: Australian Hydrogen Council's 'National Hydrogen Strategy'
8. Source: ANZ
9. Includes: Sequestration, carbon-offsets, reduction and environmental market units

2021
ESG INVESTOR PACK

OUR ENVIRONMENTAL SUSTAINABILITY STRATEGY

SUPPORTING OUR CUSTOMERS AND STEERING OUR PORTFOLIO

AMBITION TO BE THE LEADING AUSTRALIA-AND NEW ZEALAND-BASED BANK IN SUPPORTING CUSTOMERS TO TRANSITION TO NET ZERO EMISSIONS

KEY PRIORITY AREAS AND SECTORS WE'LL PURSUE

1. Banking sustainable resource extraction in areas such as iron ore, lithium, nickel, cobalt, rare earths, copper and bauxite
2. Banking basic materials production including green steel and low-carbon aluminium production
3. Financing new technology projects focused on upstream hydrogen and carbon capture use and storage
4. Initial focus on financing high-efficiency residential buildings and retrofits
5. Supplying green investment options for environmental sustainability-focused funds/insurers and partnering with financial institutions to deliver alternative capital

WELL POSITIONED TO SUPPORT OUR CUSTOMERS

INSTITUTIONAL

Markets & customers

- Helping companies move goods and capital across the region
- Operating in 32 markets globally, in Asia for 50+ years
- Support multi-national and regional corporates through the supply chain, across our network[1]
- Leading Institutional bank in home markets[2,3]
- Banking customers that are leading the transition globally

Banking solutions

Transaction Banking

- Trade; Payments & Cash Management; Supply Chain

Corporate Finance

- Lending; Specialised Finance; Corporate Advisory & Syndications

Markets

- FX; Rates; Commodities; Credit & Capital Markets; Risk Management solutions

Industry expertise

- Resources, energy & infrastructure
- Food, beverage & agribusiness
- Financial institutions
- Transportation & logistics
- Property
- Telecommunications, media, entertainment & technology
- Manufacturing
- Consumer & Retail
- Government, Education, Health

Strategic initiatives

- Environmental Sustainability
- Financial Institutions & Funds
- Digital Platforms & Automation
- Cross Border Payments
- Data & Insights

SUSTAINABILITY

- **#1** in ESG Finance in Australia and New Zealand[4]
- Funded and facilitated **$21.95b** in sustainable solutions since 2019

DEBT CAPITAL MARKETS

- **#1** Mandated Lead Manager and Bookrunner in AUD in 2021; #1 for the past 10+ years[5]
- **#1** Mandated Lead Manager and Bookrunner in NZD in 2021; #1 for the past 15+ years[5]

LOAN SYNDICATION

#1 Mandated Arranger and Bookrunner in Australia/NZ in 2021; #1 in 8 of the past 10 years[5]

Leading International Bank as Mandated Arranger and Bookrunner in Asia–Pacific (ex Japan) in 2021[5]

1. Ranked #1 by Greenwich Associates for overall relationship quality in Asia
2. Ranked #1 by Peter Lee Associates for overall relationship strength, support through COVID and ESG & Sustainable Finance in Australia
3. Ranked #1 by Peter Lee Associates for overall penetration, relationship strength, support through COVID and ESG & Sustainable in New Zealand
4. Ranked #1 by Peter Lee Associates for ESG Market Leader and ESG Lead Provider in Australia and New Zealand (customers using ESG)
5. Source: Bloomberg bond and syndicated lending league tables. Debt Capital Markets @ 30 Sep 2021. Syndicated Lending @ YTD 2021

ENABLING OUR BUSINESS STRATEGY

INVESTING IN KEY PARTS OF OUR BUSINESS

To deliver on our ambition to be the leading Australia- and New Zealand-based bank in supporting customers to transition, we will invest in our business across a number of areas

Deepening our understanding of the transition for our customers, employees and the community

Strengthening our **environmental sustainability risk management and practices**

Tailoring our **industry and product strategies** based on how we can better help clients and their sectors position for change

Evolving our **governance models** to protect ANZ and our clients

Maintaining a focus on **technological and digital innovation**, e.g. using data to help clients navigate change

Developing the right internal culture and mindset focused on environmental sustainability

2021

ESG INVESTOR PACK

CLIMATE RISK

MANAGING CLIMATE RISK

ACTIVELY MANAGING CLIMATE RISK WITHIN OUR GROUP RISK MANAGEMENT FRAMEWORK

Focused on managing the risks and the opportunities of climate change

This includes:

- Engaging closely with our largest emitting business customers on the work they're doing to transition to a low carbon future
- Understanding significant reductions in the cost of energy alternatives, aided by new technology
- Understanding how the transition to net zero emissions will impact global demand for natural resources and the flow-on effects to prices
- Engaging with our regulators on climate risk guidance for banks and financial institutions

Enabled greater oversight and control for our Board and Executive Committees on climate risks

Key actions:

- Have set a public ESG target to develop an enhanced climate risk management framework that strengthens our governance and is responsive to climate change (by end 2022). To help deliver on this target we've established new work streams, including:
  - Regulatory – monitoring emerging trends from regulators in key markets, relating to climate risk management, to assess impacts and ensure compliance against new obligations
  - Analytics – measuring the carbon intensity of industry exposures within our portfolio and developing ESG data and analytical capabilities
- Established a new Climate Advisory and Coordination Forum, which is Chaired by the Group Executive, Institutional and includes the Group Chief Risk Officer
- Responding to APRA's Climate Vulnerability Assessment, which examines the material exposures and financial risks banks may face due to climate risks
- Embedding our environmental sustainability strategy into our risk function through updates to our risk appetite statements, approval processes, and a new centre of excellence for how we assess and approve deals

2021
ESG INVESTOR PACK

OUR UPDATED CLIMATE CHANGE COMMITMENT

OUR UPDATED CLIMATE CHANGE COMMITMENT

OUR KEY FOCUS AREAS

1 Supporting customers and industries to transition

- Implementing our environmental sustainability strategy
- Providing finance, services and advice
- Supporting an orderly transition

2 Aligning our lending decisions to the Paris Agreement goals

- Metrics, pathways and targets to support low emissions lending

3 Reducing our footprint

- Setting targets for renewable electricity usage, lowering greenhouse gas emissions
- Empowering and educating our employees

4 Engaging constructively and transparently with stakeholders

- Engaging with our largest emitting business customers
- ESG market briefings and roundtables
- Reporting risks and opportunities using TCFD recommendations

SUMMARY OF KEY CHANGES IN OUR 2021 CLIMATE COMMITMENT

FOCUS AREA	CHANGE
Supporting the transition	State our ambition to be the leading Australia-and New Zealand-based bank in supporting customers to transition and how we will achieve this
Employee development on climate risks and opportunities	Commit to equip our people with a deeper understanding of climate risks and opportunities, focused on Institutional banking teams in key sectors
Aligning our lending with the Paris Agreement goals	To reduce our portfolio emissions, we commit to align our lending with the Paris Agreement goals, including through two new emissions intensity pathways and targets. We intend to expand this work to more carbon intensive sectors in future, in line with our Net-Zero Banking Alliance commitment
Financing energy[1] customers	Set expectations for energy customers to commit to and disclose "Paris-aligned" business plans, including: establishing specific, time bound, public transition plans and diversification strategies; reporting transparently on climate risk and alignment to Paris goals; participating in industry initiatives[2]; and measuring and disclosing Scope 3 emissions from supply and value chains
Biodiversity and climate change	Recognise the link between climate change and biodiversity loss and commit to broaden our engagement with our largest emitting business customers to include biodiversity

1. The energy sector includes integrated oil and gas companies involved in exploration, development and refining as well as low carbon energy solutions, thermal coal mining, and integrated power utility companies such as renewable energy and coal. We will seek "Paris-aligned" business plans for any new customers, and by 2025 for existing customers
2. For example, in the oil and gas sector, capturing and storing methane in line with the Methane Guiding Principles

2021
ESG INVESTOR PACK

ALIGNING OUR LENDING DECISIONS TO THE PARIS AGREEMENT GOALS

ALIGNING OUR LENDING DECISIONS TO THE PARIS AGREEMENT GOALS

SUPPORTING OUR ENERGY CUSTOMERS TO REDUCE THEIR EMISSIONS

- Our success in supporting a net zero transition will be driven by our financing of customers to reduce their emissions
- To achieve this, we are:
  - Focusing our lending and support to energy customers with public Paris-aligned emissions reductions plans
  - Expanding our investment in low or zero emission technologies
  - Factoring climate change risk into lending decisions for large business customers, assessing their capacity to respond to climate change and evolving regulatory landscape
- Specifically our Climate Change Commitment sets out that we will:
  - Support *new* energy customers which have Paris-aligned business plans
  - Support *existing* energy customers, with an expectation by 2025 they:
    - Establish specific, time bound, public transition plans and diversification strategies
    - Report transparently on climate risk and alignment to Paris goals
    - Participate in industry initiatives such as those targeting reductions in methane
    - Measure and disclose Scope 3 emissions across their value chains

FINANCE TO BACK CUSTOMERS REDUCING EMISSIONS

TARGETS[1] SET FOR CARBON INTENSIVE SECTORS

- We have set emissions intensity reduction targets for large-scale commercial buildings in Australia and global power generation. This means more finance for less emissions
- We will progressively expand our coverage of key sectors up to 2024

Large-scale commercial property	Power generation
NEW TARGET: **60% emissions intensity reduction by 2030 for major commercial buildings in Australia owned by our large REIT and funds customers**	**NEW TARGET:** **50% emissions intensity reduction by 2030 for our global power generation portfolio**
• We will finance the opportunities for faster and deeper cuts in emissions presented by: improved energy efficiency; greater electrification of final energy use; voluntary purchases of green electricity; and self-generation of electricity from solar PV installations • Major customers have already committed to achieving net zero emissions targets by 2030 and are making good progress • Building assets covered by the target represent around 20–25% of our total exposures to the non-residential building sector	• We know decarbonising will require an increase in electricity generation. The challenge will be to meet that demand growth with clean energy sources – our new target seeks to meet this by influencing the types of customers and projects we support • Our 2030 target of 129kgCO_2/MWh is a portfolio average. The target is set against a 2020 baseline of ~260kg CO_2/MWh • Engagement with power generation customers will be focused on how they intend to reduce the emissions intensity of power supplied to their customers

1. Both targets measure the portfolio emissions in those sectors on an 'emissions intensity' basis. For power generation we calculate the debt-weighted average of our customers' emissions intensity (kg CO_2 per megawatt-hour of electricity generation). For commercial buildings we calculate the emissions from these buildings and divide them by the net lettable area.

MORE FINANCE FOR LESS EMISSIONS

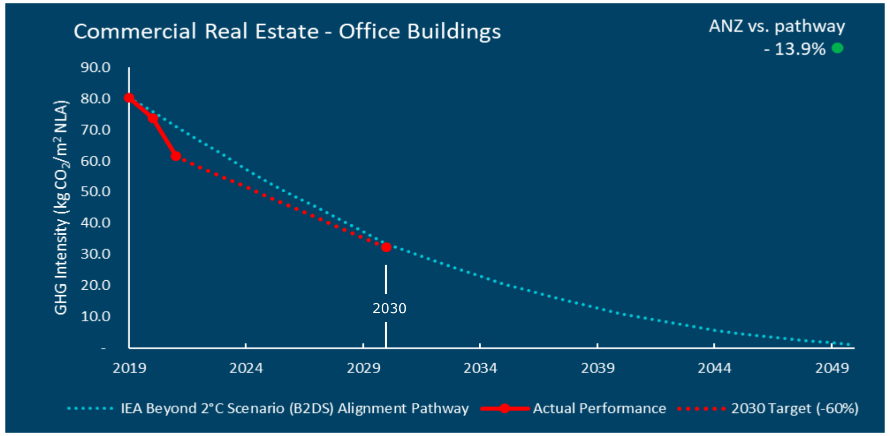
EMISSIONS INTENSITY TARGETS SET OUR PATHWAYS

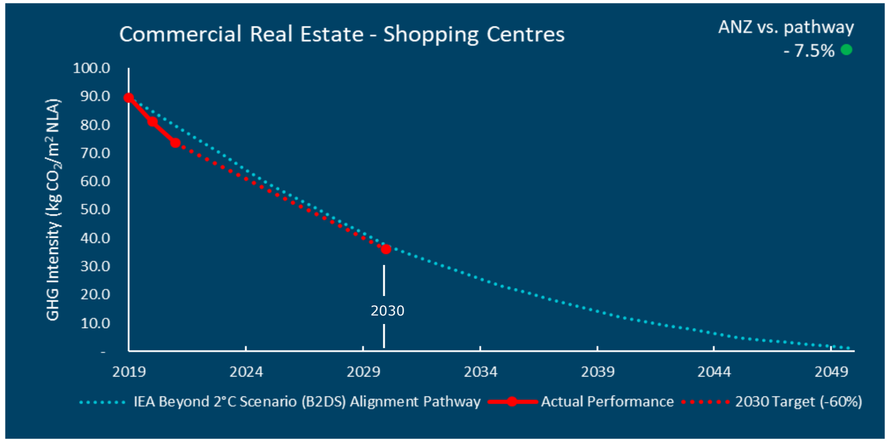
- Using our two new emissions intensity 2030 targets for our large-scale Australian commercial buildings and global power generation portfolios, we have defined and disclosed net zero aligned pathways
- Our pathways set our strategy and course out to net zero by 2050 and use credible decarbonisation scenarios
- The pathways allow us to:
  - Determine how each sector is performing against a Paris-aligned path
  - Better pinpoint and manage customers that may be more exposed to transition risks; and help them to capture the growing opportunities that come with the transition
  - Assess the speed and extent to which we are transitioning our exposure to key sectors
  - Provide transparency about how our financing is aligned with climate scenarios
- We will use these pathways to help steer our lending decisions in line with the Paris Agreement goals

ALIGNING PORTFOLIO EMISSIONS WITH 2050 PATHWAYS

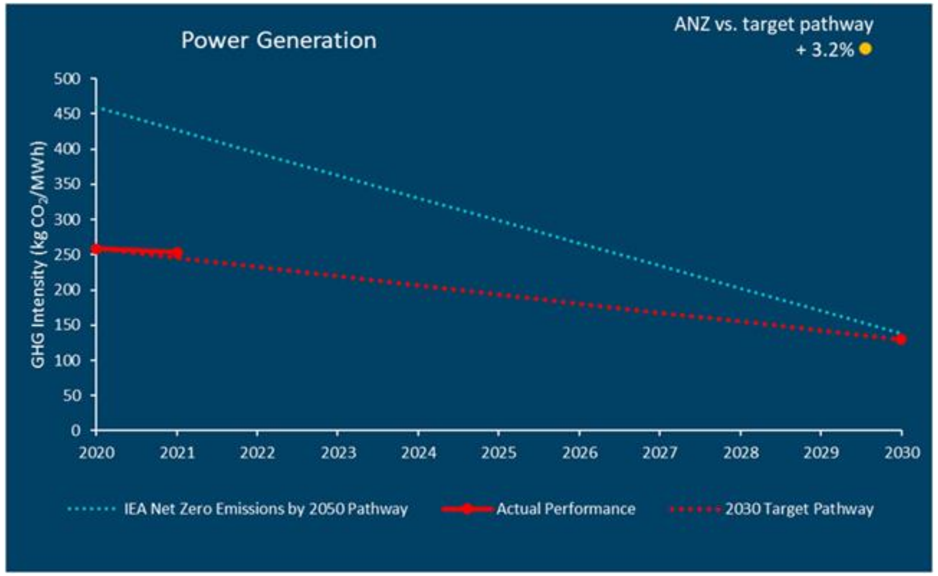
EVERY SECTOR HAS ITS OWN TRANSITION PATH

COMMERCIAL REAL ESTATE





POWER GENERATION



BACKING CUSTOMER DECARBONISATION

ILLUSTRATIVE EXAMPLES OF CUSTOMER PATHWAYS THAT ALIGN WITH OUR PORTFOLIO TARGETS

	COMMERCIAL PROPERTY *"Property Company Corp."*	POWER GENERATION *"Energy Company Corp."*
Paris-aligned targets set their path	**In 2020:** Disclosed Paris-aligned plans and decarbonisation strategy **By 2025/2030** • Low carbon fuel alternatives for machinery • Require min. NABERS[1] 5-star energy rating on offices • Suppliers to reduce emissions from building materials **By 2040/2050:** Reach net zero emissions • All green leases for tenants • Renewable energy tariffs • Zero operational emissions • Phased out diesel and gas	**In 2020:** Disclosed science-based GHG emissions intensity reduction targets • Current emissions intensity 630kg CO_2/MWh **By 2030:** Reduce emissions by 50% • Target of 315kg CO_2/MWh **From 2030 to 2040:** Reduce emissions a further 50% • Target by 2040 of 158kg CO_2/MWh **By 2050:** Achieve net zero emissions
Investment decisions we support	**Company increasingly invests** in: • Electric construction plants & equipment • Onsite renewable energy • Battery storage in buildings • Decarbonised heating and cooling infrastructure	To aid transition, company develops lower-emission base load alternatives to coal fired generation which is being progressively retired **Company increasingly invests** in: • Large-scale renewables and energy infrastructure • Wind farms, solar farms, and short duration battery storage • Constructing pumped hydro (long duration storage)

1. National Australian Built Environment Rating System

2021

ESG INVESTOR PACK

ENGAGING CONSTRUCTIVELY AND TRANSPARENTLY WITH STAKEHOLDERS

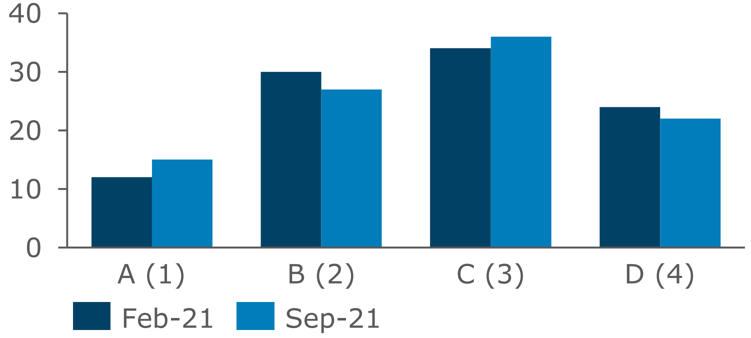
CUSTOMER ENGAGEMENT TO SUPPORT EMISSIONS REDUCTIONS

100 OF OUR LARGEST EMITTING BUSINESS CUSTOMERS

- Now engaged with 100 of our largest emitting business customers, supporting them to establish or strengthen transition plans
- These customers produced more than 150 million tonnes of direct (Scope 1) CO_2 emissions during 2019–20 for their Australian-based operations. This is around 30% of the national total for Australia
- We consider three key elements constitute a robust low carbon transition plan: governance, targets and disclosures (preferably aligned with the Taskforce on Climate-related Financial Disclosures)
- Overall good progress is being made: customers have improved their governance, strategies and targets or disclosures
  - Many customers have clearly demonstrated their intention to develop Paris-aligned or science-based targets
  - As part of our engagement we expect more customers to make substantive progress towards their targets and improve their plans

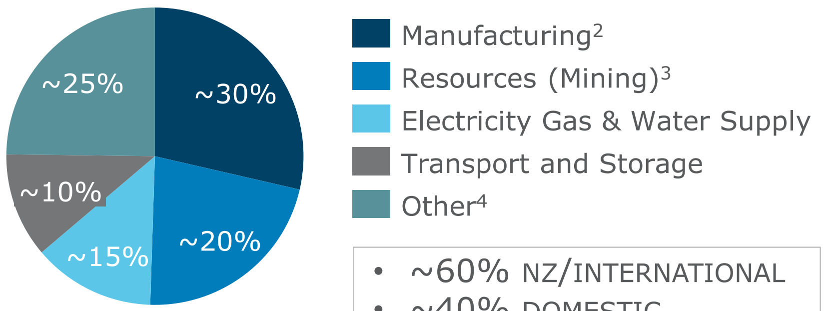
Customer transition plans in 2021 were grouped into levels of maturity	
(A)	ADVANCED
(B)	DEVELOPING/INTERMEDIATE
(C)	UNDERDEVELOPED/STARTING OUT
(D)	NO PUBLIC PLANS

100 OF OUR LARGEST EMITTERS – BY CATEGORY[1]



100 OF OUR LARGEST EMITTERS – BY SECTOR

% based on Exposure at Default



- ~60% NZ/INTERNATIONAL
- ~40% DOMESTIC

1. We reviewed 87 of our 100 largest emitting business customers in February 2021, and then reached the full 100 in September 2021, grouping each customer into the four categories. The weighted average has improved from 2.71 to 2.65 in this six month period
2. Includes steel, aluminium
3. Includes coal, oil and gas
4. Includes education, telecommunications, waste management, healthcare facilities and accommodation

PROGRESS WITH OUR 100 LARGEST EMITTING BUSINESS CUSTOMERS

EXAMPLES OF IMPROVEMENT THROUGH CATEGORIES

ADVANCED — DEVELOPING / INTERMEDIATE — UNDERDEVELOPED / STARTING OUT — NO PUBLIC PLANS

A — B — C — D

ENERGY COMPANY

- During our engagement, customer has moved up from Category B to Category A
- Governance: ✓
- Targets: ✓
- Disclosures: ✓

- Customer:
  - Acknowledges climate risk is a material risk and opportunity; has well-developed plans and actions (by reference to their governance, targets, disclosures, and committed to net zero emissions by 2050)
  - Climate resilience is a key pillar of its sustainability strategy
  - Public goal of net zero emissions by 2050 across its portfolios
  - TCFD-aligned reporting
  - Strong governance in place to manage climate risk

DIVERSIFIED INDUSTRIAL COMPANY

- During our engagement, customer has moved up from Category C to Category B
- Governance: ✓
- Targets: ✓
- Disclosures: ✓

- Customer:
  - At a developing / intermediate category: acknowledgement, well developed plans and actions
  - Public climate change commitment; climate issues are considered by Sustainability Management Committee that report to their Board
  - 2030 emissions reductions targets in place
  - Reports using the TCFD guidelines, scope to improve
  - A long-term vision of striving for net zero by 2050

LARGE COMMODITIES COMPANY

- During our engagement, customer has moved up from Category D to Category C
- Governance: ✓
- Targets: ✓
- Disclosures: ✓

- Customer:
  - At an underdeveloped / starting out category: acknowledgement, but with limited plans and/or actions
  - Sustainability and climate risk discussed with Board Risk Committee at regular intervals; Chairman and CEO oversee their climate approach
  - Has targets to reduce 'emissions intensity' across some of its operations
  - Moving towards TCFD-aligned reporting; has a 'TCFD index' in its reporting

✓ In place / met
✓ In progress

2021

ESG INVESTOR PACK

NEXT STEPS

NEXT STEPS

1) Supporting customers and industries to transition:

- To deliver on our Environmental Sustainability Strategy we will invest in building out our existing strengths to capture the opportunities, including in:
  - Developing new capabilities and products; investing in our people and training; investing in data and technology solutions

2) Aligning our lending decisions to the Paris Agreement goals:

- Continue setting new targets and disclosing additional sector specific pathways to reduce our portfolio emissions by 2030

3) Reducing our own footprint:

- Setting new emissions targets in 2022 for our operations, and working towards our goal of 100% renewable electricity by 2025

4) Engaging constructively and transparently with stakeholders:

- Continue supporting 100 of our largest emitting customers to implement / strengthen their low carbon transition plans & enhance their efforts to protect biodiversity, by end 2024
- Continue examining ways to integrate transition plan engagement and outcomes into regular customer discussions / assessments

Other areas of focus for 2022 and beyond include:

- Aligning with regulatory guidance on climate-related risk governance, including stress-testing of selected portfolios
- Extending analysis of flood-related risks to incorporate bushfire and other risks relating to retail customers through our work with APRA on its Climate Vulnerability Assessment
- Further developing an enhanced climate risk management framework that strengthens our governance and anticipates potential climate-related impacts and associated regulatory requirements

2021
ADDITIONAL REFERENCE MATERIAL

ROUNDTABLE

26 NOVEMBER 2021

Australia and New Zealand Banking Group Limited 9/833 Collins Street Docklands Victoria 3008 Australia
ABN 11 005 357 522

MAKING STRONG PROGRESS AGAINST KEY INDICATORS

SNAPSHOT OF OUR ENVIRONMENTAL SUSTAINABILITY PERFORMANCE

Lower emissions financing target

$21.95b
towards $50b target[1]

Our sustainable finance participation

2020	2021
39 deals	81 deals
$59b[2]	$119b[2]

Engaged with 100 of our largest emitting business customers

88% Governance[3]

76% Targets[3]

51% TCFD-aligned disclosures[3]

Governance

25% of our Ethics and Responsible Business Committee agenda is on 'who we bank'[4]

ANZ operations

Scope 1+2 emissions **down 47%** since 2015

Thermal coal exposure

Exposure reduced by **~75% since 2015**
Direct exposure to renewables **+~55%**[5]

1. Since 2019
2. Total volume of deals ANZ has participated in
3. These are the three key elements we consider constitute a robust low carbon transition plan
4. Includes: Carbon policy, sensitive transactions and industry sector reviews
5. $1,425m project finance commitment to renewable energy as at 30 September 2021 (made only on a non or limited recourse basis to the ultimate sponsors. The figure does not include ANZ lending made to renewable energy projects that may be funded under corporate debt facilities or through other lending products).

KEY BUSINESS AREA INITIATIVES

SUPPORTING OUR CLIMATE AMBITION

RETAIL

- Supporting **household practices** to improve environmental sustainability, e.g. supported >1,000 NZ households[1] into healthier homes through our Health Home Loan Package and our interest-free insulation loans
- Developing **scenarios for retail mortgages** estimating the potential financial impact of extreme future weather events; in coming years, will seek to identify geographic areas that are most exposed
- Extending **analysis of flood-related risks** to incorporate bushfire and other risks relating to retail customers

SMALL & COMMERCIAL BUSINESSES

- ANZ / Clean Energy Finance Corporation Energy Efficiency **Asset Finance program**, incentivising customers to invest in energy efficient and renewable energy technologies. FY21 closed 152 deals, worth $39.6m volume
- Engaging with the **Australian Bureau of Meteorology** annually to aid customer discussions on managing variability in rainfall and impact on farming practices; how customers are structuring their finances to ensure ongoing viability

INSTITUTIONAL

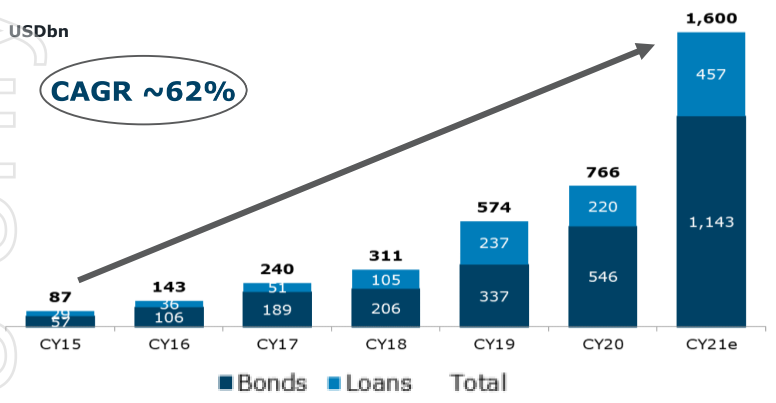
- Implementing our **Environmental Sustainability strategy** by targeting priority sectors where we'll support customers; and developing sustainability-focused culture / mindset amongst employees
- Working with **100 of our largest emitting business customers** to encourage their transition, and including a focus on biodiversity in our engagement
- **Low carbon products** and services within our Institutional business focused on climate-related opportunities

1. Since October 2020

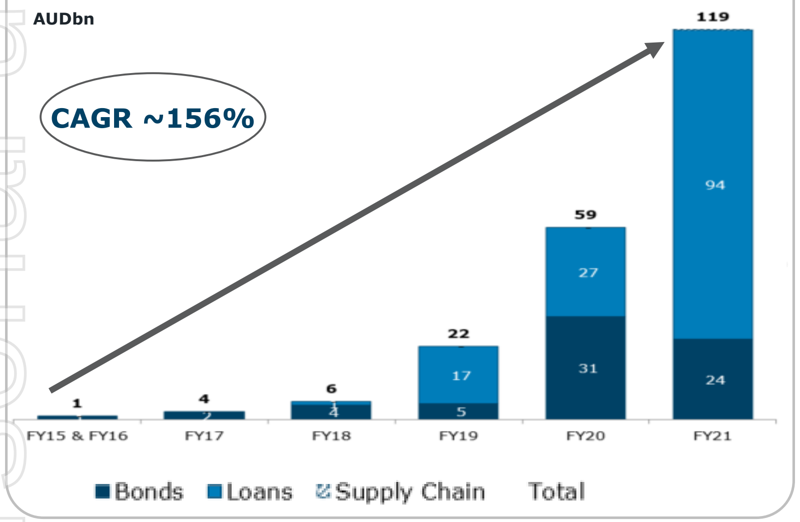
MARKET LEADING POSITION

SUSTAINABLE FINANCE VOLUMES DOUBLED IN FY21

Global Sustainable Finance Annual Volume[1]



ANZ Sustainable Finance Annual Volume[2]



ANZ is recognised as a market leader in Australia and NZ

KangaNews

SUSTAINABILITY DEBT HOUSE OF THE YEAR

FinanceAsia

BEST SUSTAINABLE FINANCE HOUSE

Peter Lee Associates

#1 ESG/ SUSTAINABLE FINANCE LEAD PROVIDER

ANZ DEAL GROWTH

FY	No. Deals
FY15&16	2
FY17	7
FY18	8
FY19	26
FY20	39
FY21	81

ANZ has led a range of landmark transactions in FY21

BONDS

Olam – SLB JPY7bn Dec 20, SLB JPY5.5bn Sep 21

Surbana Jurong – SLB SGD250m Feb 21

Wesfarmers – SLB AUD1.0bn Jun 21

TCV (Treasury Corporation of Victoria) – Sustainability Bond AUD2.5bn Sep 21

LOANS/ TRADE

Canberra Metro – Green PPP AUD286m Dec 20

Kathmandu – SLL AUD100m May 21

Nestlé – Sustainable Supply Chain Facility USD50m Jan 21

Celsus – Sustainability Loan AUD2.2bn Jul 21

COFCO INTL – SLL USD700m Sep 21

coles – SLL AUD1.3bn Aug 21

2012–2020 TOP 5 CORPORATE BANK IN ASIA

GREENWICH ASSOCIATES ASIAN LARGE CORPORATE BANKING STUDY

Greenwich Associates Share Leader

2013–2021[3] NO.1 OVERALL MARKET PENETRATION

PETER LEE ASSOCIATES RELATIONSHIP BANKING SURVEY AUSTRALIA

Peter Lee Associates

2005–2021 NO.1 OVERALL MARKET PENETRATION

PETER LEE ASSOCIATES RELATIONSHIP BANKING SURVEY NEW ZEALAND

Peter Lee Associates

1. Global Sustainable Finance market – BNEF data as at 30/09/2021 extrapolated to 31/12/2021
2. Total volume of deals ANZ has participated in.
3. No.1 in '13 and '15

CUSTOMER ENGAGEMENT – FINANCING SUSTAINABILITY

Green, Social, Sustainability and Sustainability-Linked Loans

Lending to deploy capital into green, social and sustainability initiatives, where borrowers are required to invest in qualifying green and / or social assets or where loan terms are linked to improved performance against agreed sustainability targets

Celsus

HIGHLIGHT DEAL:

- July 2021 – AU$2.2 billion refinance of the Celsus Royal Adelaide Hospital Public Private Partnership project financing
- First Sustainability Loan Facility for the global healthcare sector, the financing aligns to the hospital's social and green credentials, including its 4 Star Green Star – Healthcare As-Built rating from the Green Building Council of Australia
- ANZ was Mandated Lead Arranger, Intercreditor Agent and joint Sustainability Coordinator

ESG-format bonds

Distribution of capital into green, social, transition and sustainability initiatives, e.g. green buildings, renewable energy or where bond terms are linked to improved performance against agreed sustainability targets

SURBANA JURONG

HIGHLIGHT DEAL:

- February 2021 – Surbana Jurong Private Limited's SG$250m ten-year Sustainability-Linked Bond which ties sustainability targets to its bond terms, whereby the issuer has committed to pay investors a premium of the redemption amount at maturity if it does not meet these targets
- ANZ was the joint bookrunner and sole sustainability coordinator

Green and Sustainable Infrastructure Project Finance

Greenfields project financing to support the development of long term sustainable infrastructure

Powering Australian Renewables

HIGHLIGHT DEAL:

- September 2021 – AU$1.2bn financing facility for Powering Australian Renewables to enable its acquisition of Tilt Renewables Australia and the development of greenfield wind farm (Rye Park 396MW)
- ANZ was Mandated Lead Arranger

CUSTOMER ENGAGEMENT – FINANCING SUSTAINABILITY

Corporate Finance Advisory Services for Renewables

Providing advisory services in relation to the purchase, sale and raising of capital for renewable energy projects

HIGHLIGHT DEAL:

- In May 2021, ANZ acted as sole Financial Advisor for J-POWER, one of Japan's leading electrical power generation and transmission companies, providing detailed valuation and advisory services for the acquisition of a minority stake in GNX
  - The acquisition assisted GNX with financing for its AU$750 million, 250MW Kidston Pumped Storage Hydro Project located in Queensland.
- The Project will be one of Australia's first pumped hydro energy projects and is expected to create around 500 jobs in North Queensland
  - The Project can provide eight hours of energy storage, enough to power 143,000 homes

Green Guarantees and Sustainable Supply Chain

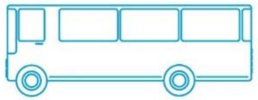
Trade facilities supporting green and sustainability initiatives

HIGHLIGHT DEAL:

- In January 2021, we provided US$50m in lending for Nestle's Sustainable Supply Chain Finance program. Suppliers for the Nespresso Coffee line with the Rainforest Alliance Certified (RAC) rating will receive margin benefit; if the supplier loses its RAC rating, pricing will increase by the same amount

ANZ/Clean Energy Finance Corporation Energy Efficiency Asset Finance program

Financing that incentivises small-to-medium sized business customers to invest in energy efficient and renewable energy technologies that will help reduce their energy costs and carbon emissions

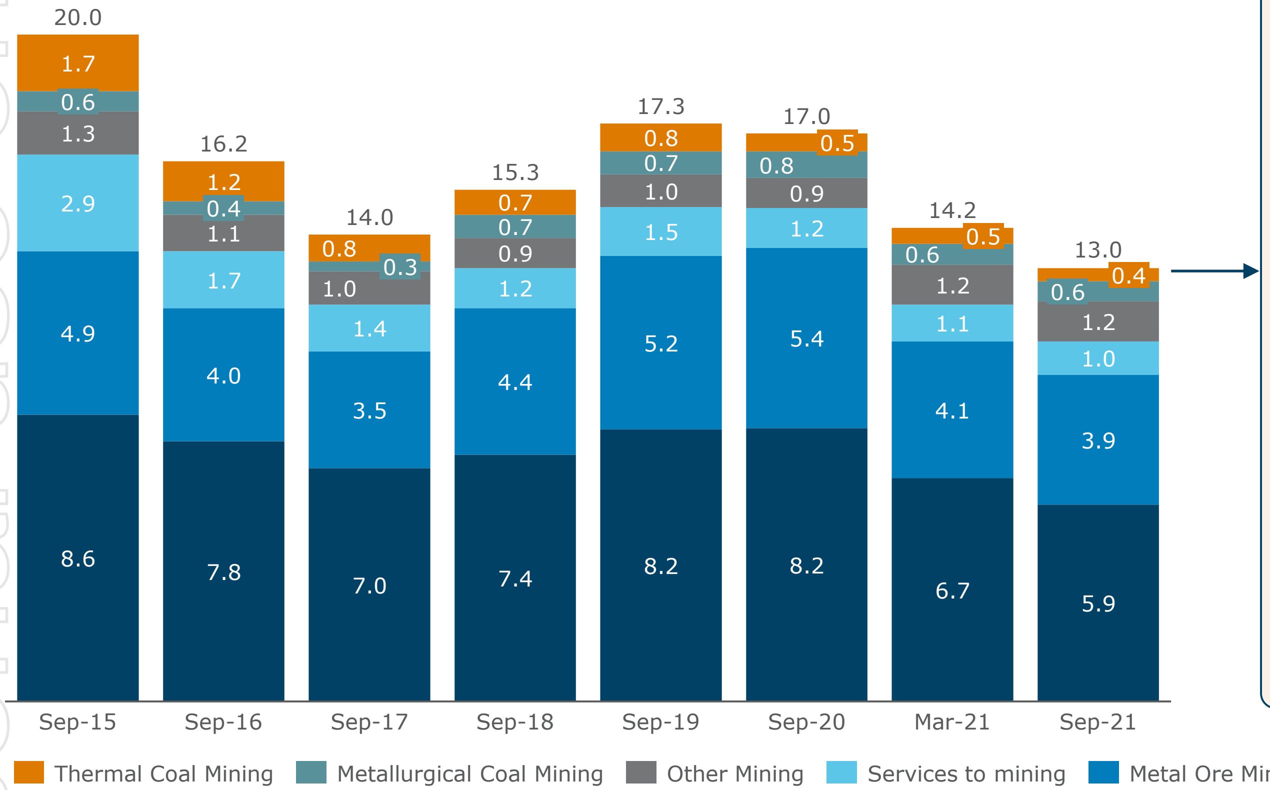


- In July 2021, this program helped finance five zero emission electric two-door city buses in NSW totalling approx. AU$3.81 million. ANZ is also engaged in the proposal of a further 10 zero emission full electric buses in QLD, approx. $8.4 million, to be included in this program in the coming months
- Since its launch in 2017, this program has helped finance more than AU$225 million of investment in over 1,000 clean energy technology deals for our customers

OUR RESOURCES PORTFOLIO

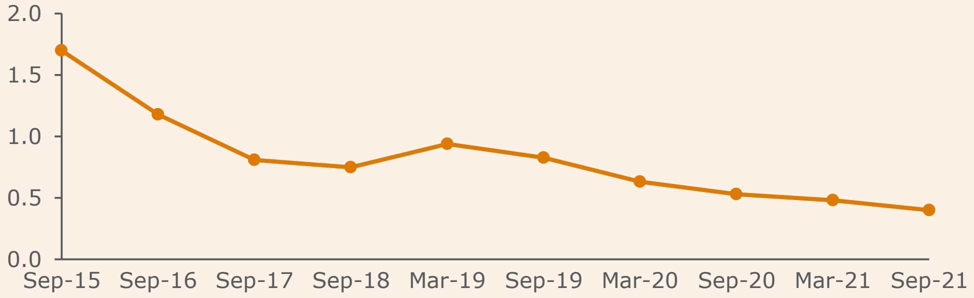
RESOURCES PORTFOLIO

EXPOSURE AT DEFAULT (EAD) $b



THERMAL COAL MINING EXPOSURE

EXPOSURE AT DEFAULT (EAD) $b



- Since 2015 our exposure to thermal coal mining has reduced by ~75%
- Several diversified mining customers have divested thermal coal interests in recent years, or signalled their intention not to invest in expansionary capex
- ANZ’s exposure to thermal coal mining is a small portion of our overall lending (now comprising <0.05% of our Group Exposure at Default)

DEFINING EMISSIONS INTENSITY PER SECTOR

OUR TARGETS MEASURE THE CARBON INTENSITY OF OUR SECTOR-SPECIFIC LENDING

- We have used sector-specific emissions intensity[1] metrics rather than absolute emissions[2] metrics for the development of our new sectoral targets because we believe it's the most effective way to track each sector's progress and alignment with the Paris Agreement goals
- Emissions intensity metrics[3] for banks are typically calculated by adding up all the emissions produced by each customer, using asset and company-level data, and dividing this by a unit of production relevant to that sector
- Methods for each lending portfolio to calculate its overall average carbon intensity:
    - For power generation, we calculated: the percentage of lending to each customer (EAD), relative to our total portfolio EAD, and then multiplied this ratio of debt by each customer's emissions intensity (e.g. their carbon emissions per megawatt-hour of electricity generated)
    - For commercial buildings, we calculated: the total emissions produced, divided by each building's net lettable area (m^2)
- This enables us compare our sector-specific customers to industry averages and benchmark against our peers

1. Emissions intensity refers to volume of emissions per unit of production / unit of economic output
2. Absolute emissions refers to total quantity of greenhouse gas emissions being emitted
3. For example, Bank of England's definition of current carbon intensity: Carbon intensity normalises a firm's greenhouse gas emissions by its revenues, to capture the volume of emissions it produces for its size, rather than how large a company it is. This metric is expressed in terms of the volume of carbon dioxide equivalent emissions per million pounds of revenue. https://www.bankofengland.co.uk/markets/greening-the-corporate-bond-purchase-scheme

OUR OPERATIONS

COMMITTED TO MANAGING OUR SCOPE 1 AND 2 EMISSIONS

The COVID-19 pandemic saw ~95% of our non-branch staff working from home, significantly reducing resource consumption across our property portfolio and consequently reducing our environmental footprint.

GHG emissions - scope 1 & 2 emissions decreased by 47%, tracking ahead of 2025 and 2030 reduction targets

- Business travel-related emissions reduced 91% (due to lockdowns and travel restrictions), avoiding 20,393 tonnes of greenhouse gas (GHG) emissions
- Closed our 111 Parramatta Rd office and relocated employees to energy efficient 242 Pitt St office, avoiding 750 tonnes of GHG annually

Renewable energy - in 2021 our operations were powered by 36% renewable energy

- In Australia, powered by 38,975 MWh of renewable energy from the ANZ Murra Warra Wind Farm turbines and 255 MWh of renewable energy through on-site solar arrays at ANZ head office in Docklands, Melbourne and our Melbourne data centres

Water - office water consumption decreased by 63% since 2017

- Water saving valves installed in kitchens and bathrooms in HK; carpet steam cleaning replaced with low moisture cleaning, saving >75,000L pa at Docklands head office

Waste - waste to landfill has decreased by 65% since 2017

- 80 tonnes of waste diverted from landfill during refurbishment in Docklands; new recycling stations in major Australian offices

Paper - consumption has reduced by 64% since 2015

- Key reasons for continued paper use include internal risk or legislative requirements

EXAMPLE CUSTOMER DISCLOSURE TOWARDS LOW CARBON FUTURE

COLES – FOOD, GROCERY AND CONVENIENCE RETAILER

Coles' ambition is to be "Australia's most sustainable supermarket"

coles

- In March 2021, Coles announced new targets to accelerate climate action and reduce greenhouse gas emissions. These included committing:
  - to deliver net-zero greenhouse gas emissions by 2050;
  - for the entire Coles Group to be powered by 100% renewable electricity by the end of FY25; and
  - to reduce combined Scope 1 and 2 greenhouse gas emissions by more than 75 per cent by the end of FY30 (from a FY20 baseline)
- As detailed in its Climate Position Statement, Coles acknowledges its responsibility to minimise its environmental footprint, and mitigate the environmental and social impacts of climate change. It will do this by:
  - "building the resilience of our business, supply chain and community against climate change related impacts, both physical and transitional (managing climate-related risks and opportunities)";
  - "building a roadmap aligned with the Paris Agreement and taking action to reduce our climate impacts (decarbonisation)"; and
  - "using our position and voice to play a constructive role in influencing others to meet similar goals (influencing climate action)"

- **Coles' $1.3bn in Sustainability-Linked Loans (SLL)** is the largest retail SLL to date in Australia. In Aug-2021, ANZ worked as a Joint Sustainability Coordinator on the SLL
- **Coles recently launched its Sustainability Strategy** under the focus areas of Together to Zero and Better Together which sets out how Coles will work with its stakeholders to drive change and create a more sustainable future for generations of Australians ahead
- **ANZ has banked Coles since its demerger from Wesfarmers,** and is actively working with Coles to support it on its transition journey

- "General Corporate Purposes" loan with pricing discount and premium triggers for achieving/missing agreed Sustainability Performance Targets (SPTs)
- SPTs are connected to Key Performance Indicators (KPIs) which align with Coles' corporate sustainability targets. KPIs include:
  - **Emissions:** Scope 1 & 2 GHG emissions reduction in line with its corporate target of reducing emissions by 75% by 2030
  - **Waste:** Increase total waste diversion from landfill in line with its *Together to zero waste* strategy
  - **Women in Leadership:** Increase % of women in leadership positions in line with its Better Together strategy

EXAMPLE CUSTOMER DISCLOSURE TOWARDS LOW CARBON FUTURE

COLES – FOOD, GROCERY AND CONVENIENCE RETAILER

Coles' sustainability strategy

Sustainability strategy	Initiatives
Together to zero emissions	• Coles, in 2019, was the first major Australian retailer to announce a power purchase agreement for renewable energy • In March 2021, it announced its target to be powered by 100% renewable electricity by the end of FY25, and now has all the agreements in place to meet this target, once the agreements are live
Together to zero waste	• Diverted 80.6% of solid waste from landfill (as of end of FY21) • Stopped delivering paper catalogues to customers' letterboxes • No longer selling single use plastic tableware products • No longer giving away plastic collectable toys
Together to zero hunger	• Donated the equivalent of >160 million meals to SecondBite since 2011
A team that is better together	• Percentage of women in leadership increased to 36.5% in FY21 • Recognised as Gold Employer in 2021 Australian Workplace Equality LGBTQ Inclusion Award
A community that is better together	• Raising $40 million, since 2013, for children's cancer charity, Redkite • Reached a new single event record in fundraising of more than $6.7 million for FightMND
Sourcing that is better together	• All Coles Own Brand seafood has been responsibly sourced since 2015. This includes fresh, thawed, frozen and canned seafood and food products that contain seafood as a primary ingredient • Coles uses independent and internationally recognised certification and verification programs that support ethical practices and environmental protection in these supply chains
Farming that is better together	• $50m 'Coles Nurture Fund' – aimed at working with suppliers on innovation projects, including building supply chain resilience through climate adaptation programs to mitigate impact of drought • Australian-first sourcing policy to provide customers with quality Australian-grown fresh produce as a first priority

BIODIVERSITY

EXPANDING THE SCOPE OF OUR CUSTOMER ENGAGEMENT TO INCLUDE BIODIVERSITY FOCUS

- There is a link between climate change and biodiversity loss and we acknowledge the need to protect and restore ecosystems and mitigate biodiversity loss, including working to halt and reverse forest loss and land degradation
- We also understand the impacts – positive and negative – our customers can have on biodiversity
- We are:
  - Broadening our engagement with our largest emitting customers to include a focus on biodiversity
  - Encouraging these customers to establish or strengthen their approach to biodiversity through effective board governance, policies and strategies and disclosures
  - Collaborating with industry groups and customers to identify investment opportunities in improved biodiversity or natural capital outcomes with commercial benefits
- Biodiversity is integrated into our Social and Environmental Risk Policy
- ANZ has joined the Taskforce on Nature-related Financial Disclosures (TNFD) forum

CASE STUDY: Through the Foundation for Regional & Rural Renewal (FRRR), Seeds of Renewal aims to help build sustainable communities in regional Australia

- This year, the Karrkad-Kanjdji Trust received a $15,000 grant from ANZ to help **protect local biodiversity** by monitoring vulnerable habitats in Arnhem Land
- The project funded a network of cameras to study the djabbo (northern quoll) in order to understand the impact of the Trust's land management practices and programs on this priority mammal species


Warddeken daluk (women) rangers Theona Namarnyilk and Suzannah Nabulwad setting monitoring cameras.

ESG GOVERNANCE

BOARD OF DIRECTORS
Paul O'Sullivan, Chairman

Audit Committee
Chair:
Paula Dwyer

Risk Committee
Chair:
Graeme Liebelt

Ethics, Environment, Social and Governance (EESG) Committee
Chair:
Paul O'Sullivan

Digital Business And Technology Committee
Chair:
Jane Halton

Human Resources Committee
Chair:
Ilana Atlas

Nomination and Board Operations Committee
Chair:
Paul O'Sullivan

Ethics and Responsible Business Committee (ERBC)

Accountable to the Board EESG Committee.
Chaired by CEO

A leadership and decision making body that exists to advance ANZ's purpose. It generally meets five times per year. It is comprised of senior executives from business divisions and Group functions

Customer Resolution Portfolio

Reports to Group Executive Australia Retail and Commercial

Brings together our existing complaint management teams to oversee ANZ's fair treatment of customers, including internal and external dispute resolution, customer advocacy, customer vulnerability and how we identify and manage systemic issues

Risk Governance Oversight Committee

Chaired by CRO
Accountable to the Board

A leadership and decision making body that exists to oversee ANZ's response to the self-assessment of governance, culture and accountability. It is comprised of Group Executives from business divisions and Group functions.
Reports to the Board

BOARD AND EXECUTIVE COMMITTEES WORK TOGETHER

INDICATIVE RESPONSIBILITIES DEMONSTRATE HOW COMMITTEES MANAGE ESG

Ethics, Environment, Social and Governance Board Committee

Purpose: oversee measures to advance ANZ's purpose, focusing on ethical, environmental, social and governance matters

- Oversight of the Ethics and Responsible Business Committee
- Review and monitor ethical and ESG risks and opportunities
- Oversight and approval of ANZ's corporate sustainability objectives
- Oversight and approval of corporate governance policies and principles
- Oversight and approval of ESG reporting
- Oversight of elements of Whistleblowing, including the policy and the ANZ Code of Conduct

Ethics and Responsible Business Management Committee

Purpose: Operationalise Board objectives and make decisions on issues and policies

- Discuss and decide on ethical and ESG risks and opportunities
- Establish decision-making principles and guide choices on industry sectors, customers and transactions we bank and how we bank
- Review the adequacy, effectiveness and fairness of ANZ's approach to customers experiencing vulnerability
- Monitor progress against ANZ's sustainability priorities including ESG targets and the 'What We Care About Most' agenda
- Brand and values are aligned with our community investment, strategic partnerships and corporate sponsorships
- Review and decide sensitive wholesale transactions

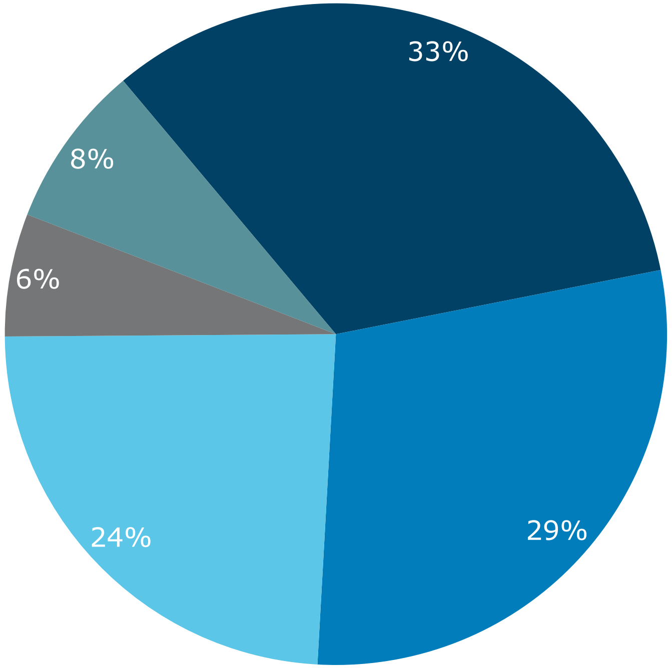
BOARD ETHICS, ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE (EESG)

INDICATIVE AGENDA AND TOPICS COVERED, GENERALLY MEETS FOUR TIMES A YEAR

Our priority areas
- Housing
- Financial wellbeing
- Environmental sustainability

How we measure and communicate
- Annual reporting suite, inc. ESG reporting
- Setting and monitoring ESG targets
- ESG external assurance
- External assessments / reputational indicators

Who we bank
- Carbon policy, transition plans for largest emitting customers
- Human Rights policy
- Approach to emerging social issues, e.g. modern slavery, animal welfare



How we bank
- Customer vulnerability strategy, including accessibility
- Customer fairness
- Product suitability
- Conduct
- Reconciliation Action Plan

Governance
- Materiality Assessment
- Company Secretary reporting, inc. policy review, shareholding details, directorships
- Committee forward agenda
- Review of Ethics and Responsible Business Committee minutes
- Review of good ESG governance practices

ESG topics discussed by full Board or other Board sub-committees		
• Employment conditions, inc. remuneration policy and practices	• Financial crime, inc. Anti-Money Laundering/Counter-Terrorism Financing	• Regulator enforcement activity
• Customer Remediation	• Cybersecurity	

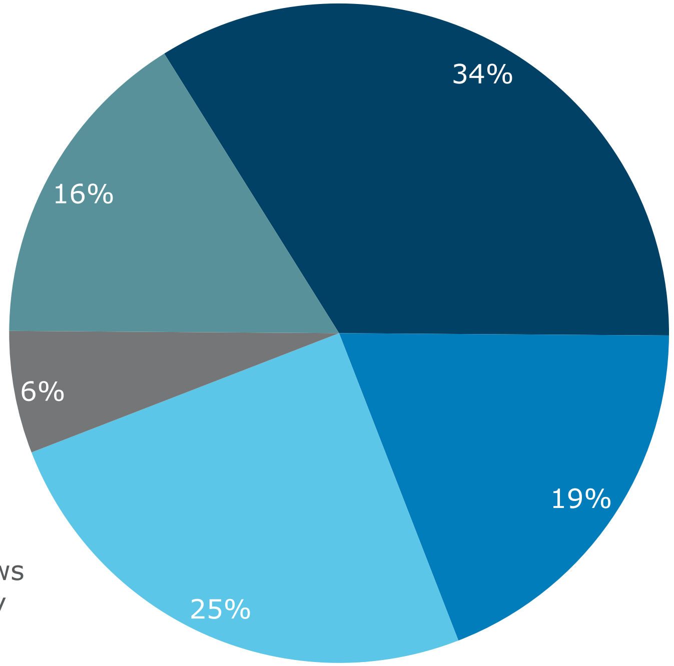
ETHICS AND RESPONSIBLE BUSINESS MANAGEMENT COMMITTEE (ERBC)

INDICATIVE AGENDA AND TOPICS COVERED, GENERALLY MEETS FIVE TIMES A YEAR

Our priority areas
- Housing
- Financial wellbeing
- Environmental sustainability

How we measure and communicate
- ESG targets – reviewing and monitoring
- ESG reporting
- Community sentiment ratings

Who we bank
- Industry sector & country specific reviews
- Human rights policy and Modern Slavery
- Carbon policy
- Sensitive wholesale transactions



How we bank
- Customers experiencing vulnerability
- Product suitability
- Accessibility and diversity
- Changing community standards
- COVID-19 Statement of Intent

Governance
- Materiality Assessment
- Social and Environmental Risk policy
- Governance framework for external ESG commitments
- Good practices for ESG Committees

ESG topics discussed by full Board or other Board sub-committees				
• Chair: CEO	• GGM, Corporate Affairs	• GGM, Group Strategy	• Customer Advocate, Australia	• GM Credit, Specialised Lending and Head of Social and Environmental Risk
• Group Executive, Institutional	• Portfolio Lead, Home Owners, Australia	• MD, Commercial Banking, Australia	• MD, Retail & Business Banking, New Zealand	• Regional Executive, Pacific
Third-party Advisor: Simon Longstaff, Executive Director, The Ethics Centre				

OUR ESG RELATED DISCLOSURES

ESG Supplement

ESG information & progress against our ESG targets

https://www.anz.com/shareholder/centre/reporting/sustainability/

ESG Briefing

Annual event to brief investors on ESG matters

https://www.anz.com/content/dam/anzcom/shareholder/ESG-Investor-presentation.pdf

Climate Change

Update on Climate Change related disclosures

https://www.anz.com.au/about-us/esg-priorities/environmental-sustainability/climate-change/

Human Rights

Our approach to human rights

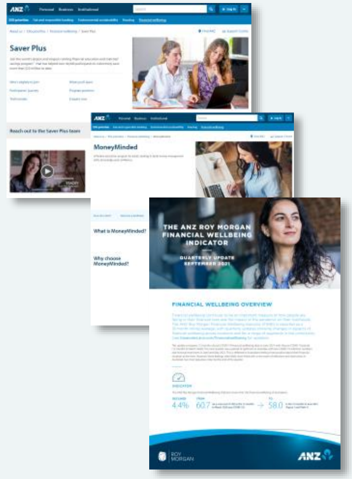
https://www.anz.com.au/about-us/esg-priorities/fair-responsible-banking/human-rights/

Housing

ANZ-CoreLogic Housing Affordability Report, the pre-eminent guide to trends & drivers of housing affordability across Australia

https://www.anz.com.au/about-us/esg-priorities/housing/

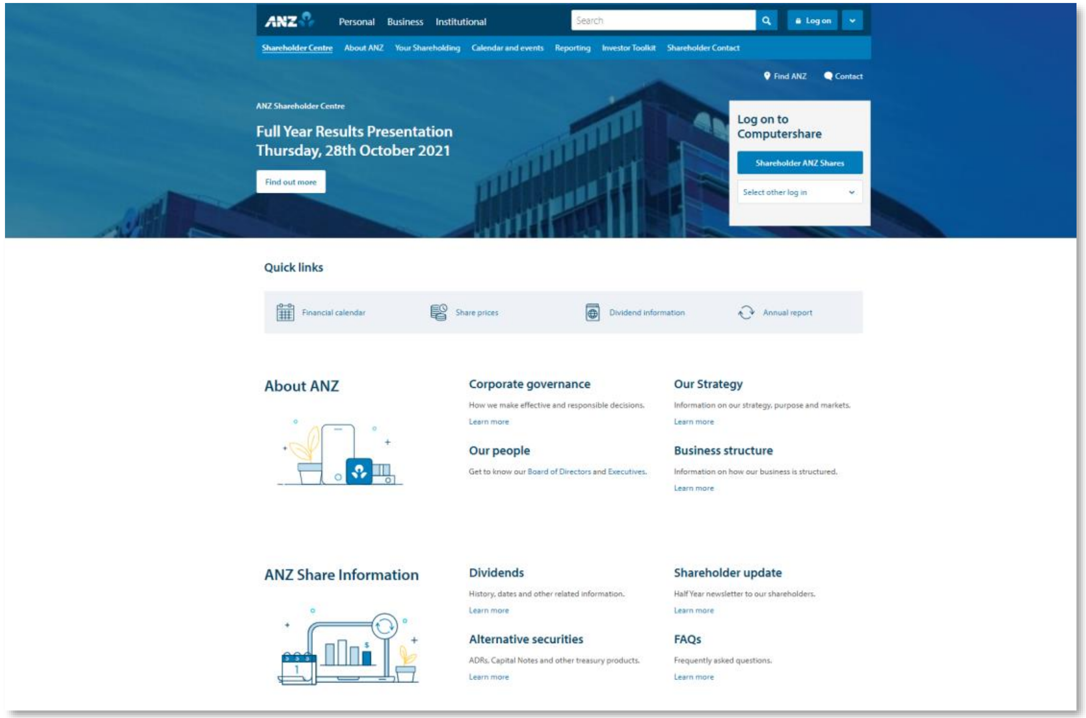
Financial Wellbeing

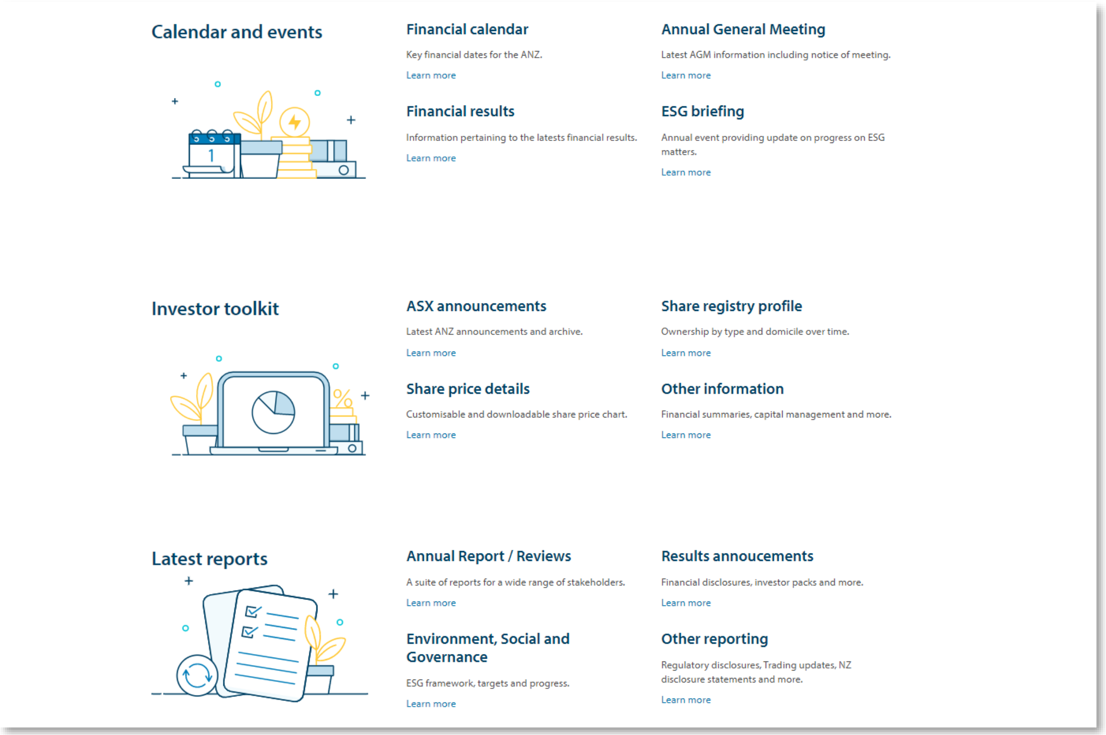


Our financial wellbeing programs, including ANZ Roy Morgan financial wellbeing indicator

https://www.anz.com.au/about-us/esg-priorities/financial-wellbeing/

FURTHER INFORMATION





https://www.anz.com/shareholder/centre/

Equity Investors			Retail Investors	Debt Investors
Jill Campbell **Group General Manager** **Investor Relations** +61 3 8654 7749 +61 412 047 448 jill.campbell@anz.com	**Cameron Davis** **Executive Manager** **Investor Relations** +61 3 8654 7716 +61 421 613 819 cameron.davis@anz.com	**Harsh Vardhan** **Senior Manager** **Investor Relations** +61 3 8655 0878 +61 466 848 027 harsh.vardhan@anz.com	**Michelle Weerakoon** **Manager** **Shareholder Services & Events** +61 3 8654 7682 +61 411 143 090 michelle.weerakoon@anz.com	**Scott Gifford** **Head of Debt** **Investor Relations** +61 3 8655 5683 +61 434 076 876 scott.gifford@anz.com